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1989/06/29

J 61,004 TOP SECRET/EXDIS SECRETARY'S MORNING SULDIARY FOR JUNE 29, 1989 PRC: LITTLE APPARENT PROMISE IN SOVIET CARD OFFICIAL SPOKESMAN YUAN MU TOLD LATIN AMERICAN AMBASSADORS ON JUNE 20 THAT US SANCTIONS WOULD NOT GO MUCH FURTHER BECAUSE DAMAGING RELATIONS WITH CHINA WOULD HURT THE UNITED STATES STRATEGICALLY MEANWHILE, THE SOVIETS SEEM COOL TO THE IDEA OF EXTENSIVE ECONOMIC AID TO THE PRO. b1, a4, a5 VICE PREMIER TIAN JIYUN IS SCHEDULED TO ATTEND SINO-SOVIE ECONOMIC COOPERATION TALKS NEXT MONTH IN MOSCOW, PRESUMABLY TO REQUEST SOVIET CAPITAL AND TECHNOLOGY ASSISTANCE. [NOCONTRACT/NOFORN//ORCON] DEPARTMENT UF STATE IS, FPC, CUR RELEASE () DECLASSIFY ! MR Cases Only: O DECLASSIFY EO Citations () DENY IN PART () DELETE Non-Responsive Info TS authority to.

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3. CHINA: THE WORLD ACCORDING TO DENG
THE RECENT PUBLICATION OF DENG XIAOPING'S JUNE 9 SPEECH
ENDORSING THE CRACKDOWN ON PRO-DEMOCRACY PROTESTERS, AND
LEAKS TO HONG KONG NEWSPAFERS ABOUT DENG'S REMARKS TO
OTHER TOP LEADERS, SUGGEST HE IS TRYING HARD TO LIMIT
DAMAGE TO HIS ECONOMIC REFORM PROGRAM, FORGE A NEW LEADERSHIP CONSENSUS, AND GET THE COUNTRY BACK TO BUSINESS.

BIAS

DAMAGE LIMITATION

DENG PROBABLY DID NOT EXPECT THE STRONG POPULAR RESISTANCE TO THE ARMY ON JUNE 3-4, OR THE LEVEL OF BLOODSHED. BUT

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BUAS

ON JUNE 9 HE

DELIVERED A SPEECH THAT ENDORSED MARTIAL LAW AND THE USE OF FORCE BUT STRONGLY UNDERSCORED HIS COMMITMENT TO CONTINUED ECONOMIC REFORM AND OPENING TO THE OUTSIDE. HE

BIAS

GUIDING THE NEW LEADERSHIP, BUT ANXIOUS TO RETIRE

A WELL INFORMED HONG KONG NEWSPAPER ON JUNE 28 CARRIED
REPORTS OF TWO MEETINGS BETWEEN DENG AND THE MEMBERS OF
THE RECONSTITUTED POLITBURO STANDING COMMITTEE. DENG IS
SAID TO HAVE ENJOINED THE TO ACCEPT THE NEW GENERAL
SECRETARY, JIANG ZEMIN, AS BOSS; TO ESCHEW FORMING "SMALL
FACTIONS" OR GETTING BOGGED DOWN IN AFFIXING BLAME FOR
PAST MISTAKES; TO CONCENTRATE ON ECONOMIC DEVELOPMENT AND
MAKE SUBSTANTIAL ACHIEVEMENTS TO REGAIN THE PEOPLE'S
TRUST; AND TO AVOID COMING TO DENG FOR ADVICE AND
DECISIONS UNLESS ABSOLUTELY NECESSARY.

DENG REPORTEDLY SAID HE WILL RETIRE AFTER THE NEW LEADER-SHIP ESTABLISHES ITS AUTHORITY. HE WARNED THAT US AND EUROPEAN INVESTMENT IS BASED IN PART ON HIS OWN HEALTH AND

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THAT IT IS DANGEROUS TO BUILD A COUNTRY DEPENDENT ON ONE OR TWO PEOPLE.

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